

November 6, 2003

MEMORANDUM

TO: The Honorable Joseph B. Meyer, Secretary of State
The Honorable Max Maxfield, State Auditor
The Honorable Cynthia M. Lummis, State Treasurer
The Honorable Trent Blankenship, Superintendent of Public Instruction

FROM: Governor Dave Freudenthal

SUBJECT: 2005-2006 Biennium Preliminary Capital Outlay Recommendations

As a result of our October 28th meeting, I would like to offer my perspective with respect to 2005-2006 Biennium Capital Outlay requests and recommendations.

First, let me say that I am not satisfied with the current process. Over the course of next several months, it is my intention to work with you, as well as the Department of Administration and Information, to improve both the timeliness and quality of information. It is my belief that doing so will be of benefit to us, the agencies involved and, ultimately, the Legislature.

As I reviewed the various requests and recommendations, I came to the conclusion that our first priority should be to take care of our existing facilities. Accordingly, I am recommending that we fully fund the major maintenance formula. The total cost, if we fully fund the major maintenance formula, is \$29,571,426 (please reference page 2 of the attached Corrected Statewide Capital Outlay Recommendation document). Fully funding the major maintenance formula will also result in the inclusion of several projects (priorities #1, #7, #10 and #25 listed on page 1 of the attached Corrected Statewide Capital Outlay Recommendation document – a total of \$7,285,711) in the major maintenance formula.

Considering the fact that there are a number of unanswered questions with respect to the Supreme Court Building and Department of Corrections projects but, at the same time, recognizing the need to take a positive action, I am recommending a placeholder in the amount of \$21,400,000 General Fund to provide funding support for those projects –

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hopefully for consideration by the 2005 Legislature. Pursuant to the suggestion offered by the Joint Appropriations Committee at their November 5th meeting, I am also recommending a placeholder, in the amount of \$125,000,000 General Fund, to address the issues identified in Senate File 16.

Given the above and after reviewing the documentation provided, my recommendations for the balance of the requests are as follows:

<u>Page 1 General Fund.</u>	<u>Recommendation</u>
3. A&I – Supreme Court Renovation	\$ 15,400,000
4. UW Athletic - Capital Facilities Plan	\$ 10,000,000
5. Health – Road Replacement	\$ 726,500*
6. Health – Historic Hospital Renovation	\$ 653,623
8. Health – Maghee Remodel	\$ 257,000
11. Agriculture – Upgrade Facilities	\$ 3,368,755
12. Military – Lead Abatement	\$ 1,968,000
13. Health – Road Replacement	\$ 455,567*
14. Health – Remodel Office Space	\$ 446,100
15. Agriculture – Multi-purpose Center (Stalls)	\$ 2,700,000
16. State Lands – Forestry Bldg. (WHCC)	\$ 1,200,000
20. Agriculture – Livestock Pavillion	\$ 2,560,000
21. Corrections – Prgrm/Admin Bldg. (WHCC)	\$ 4,800,000
23. Agriculture – Multi-purpose Show Center	\$ 1,600,000
26. Military – Camp Guernsey Land	\$ 7,800,000
27. Family Services – House	\$ 150,000
Corrections – SF 16 Placeholder	<u>\$125,000,000</u>
Total	\$179,085,545
 General Fund	 \$177,903,478
Other Funds*	\$ 1,182,067

*The Other Funds are: #5 - Training School Land Fund; and #13 State Hospital Land Fund.

<u>Page 2 Non-General Funds</u>	<u>Recommendation</u>
1. UW – Residence Hall	\$ 8,600,000
2. UW – Athletic Capital Facilities Plan	\$10,000,000
2. SP&CR – Enterprise Fund Parks	\$ 2,544,400
4. SP&CR – Motor Boat Gas Tax Refunds	\$ 2,572,000
6. Employment – Building Lease	<u>\$ 220,000</u>
Total	\$23,936,400

<u>Page 2 Major Maintenance</u>	<u>Recommendation</u>
All Statewide Buildings	\$ 8,313,060
Community Colleges	\$ 8,671,618
UW	<u>\$ 12,586,748</u>
Total	\$29,571,426

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<u>Grand Total</u>	<u>\$232,593,371</u>
General Fund	\$207,474,904
Other Funds	\$ 25,118,467

In effect, I am recommending General Funding of \$31.5 million in authorized construction and General Funding of \$29.6 for Major Maintenance, for a total general fund immediate authorization of \$61.1 million. The remaining general fund request is set aside to fund identified priority projects. This amount totals \$146.4 million, of which projects for Corrections account for \$131 million.

I look forward to discussing these recommendations with all of you.